

NOTICE OF  
PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Public Service Commission - Administration  
Room no.:  
Building: HEBER M WELLS BLDG  
Street address 1: 160 E 300 S  
Street address 2:  
City, state, zip: SALT LAKE CITY UT 84111-2316  
Mailing address 1: PO BOX 45585  
Mailing address 2:  
City, state, zip: SALT LAKE CITY UT 84111-5585

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jennie Jonsson	801-530-6763		jjonsson@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 40299 Date filed: 04/06/2016 01:38 PM  
State Admin Rule Filing Key: 157375  
Utah Admin. Code ref. (R no.): R 746 - 360 - 6  
Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):  
Eligibility for Fund Distributions

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:  
The purpose of this amendment is to set the affordable base rate that telecommunication service providers are required to charge in order to qualify for state subsidization.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.  
No

Rule Summary

## 6. Summary of the rule or change:

The affordable base rate for the period 07/01/2016 to 06/30/2017 is set at \$18 per residential line and \$27.50 per business line. Beginning 07/01/2017, the affordable base rate will be set at \$20 per residential line and \$29.50 per business line.

## Aggregate Cost Information

## 7. Aggregate anticipated cost or savings to:

## A) State budget:

Affected: Yes

The affected companies are subsidized through a state-funded program. As the companies raise rates, the subsidy for which they qualify might change, which would result in a change to the balance of the fund.

## B) Local government:

Affected: No

Local governments are not required to comply with or enforce the rules governing subsidized telecommunication service providers. No impact to local government is anticipated.

## C) Small businesses:

Affected: Yes

("small business" means a business employing fewer than 50 persons)

Small businesses that operate as telecommunication service providers and that are subsidized by the state will see revenues increase as they adopt the Public Service Commission's (Commission) affordable base rates. Consequently, the monthly subsidies currently being disbursed might have to be reduced. The Commission intends to require the Division of Public Utilities to review the finances of each affected utility in order to determine the amount of any required deduction. If the Division recommends a deduction, the affected utility will have a full opportunity to litigate the issues before the Commission.

## D) Persons other than small businesses, businesses, or local government entities:

Affected: Yes

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

The subsidy at issue is funded through a surcharge that all telecommunications customers in Utah pay. If the total amount of required funding changes, the surcharge may be increased or decreased as needed. It is possible that this rule change will reduce the amount needed to fund the account, which will result in a concomitant reduction in the surcharge.

## Compliance Cost Information

## 8. Compliance costs for affected persons:

To comply, affected telecommunication utilities must file new rates with the Commission. As long as those rates do not exceed the Commission's affordable base rates, the costs associated with the filing will be minimal.

## Department Head Comments

## 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

As stated in the rule analysis, business that provides subsidized telecommunication services might see a reduction in its monthly subsidy as its monthly revenues increase. The Commission will rely on the Division of Public Utilities to recommend any such reduction, which will then be subject to a full adjudication.

## B) Name and title of department head commenting on the fiscal impacts:

Thad LeVar, Commission Chair

## Citation Information

## 10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :  
Subsection 54-8b-15(8)

Section 54-3-1

Section 54-4-1

## Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

## Comments

12. The public may submit written or oral comments to the agency identified in box 1.(The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

05/31/2016

B) A public hearing (optional) will be held:

On (mm/dd/yyyy):      At (hh:mm AM/PM):      At (place):

05/31/2016

09:00 AM

Heber Wells Bldg, 160 E 300 S, Room 451 (Fourth Floor), Salt Lake City, UT

## Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

06/07/2016

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

## Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):

public utilities  
universal service fund  
telecommunications  
affordable base rate

## File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

## To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

## Agency Authorization

Agency head or designee, and title: Jordan White Legal Counsel Date (mm/dd/yyyy): 04/06/2016